UNITED NATIONS

DP

Executive Board of the United Nations Development Programme and of the United Nations Population Fund

Distr.
GENERAL

DP/CCF/MDV/1
2 July 1997

ORIGINAL: ENGLISH

Third regular session 1997
15-19 September 1997, New York
Item 6 of the provisional agenda
UNDP

UNDP: COUNTRY COOPERATION FRAMEWORKS AND RELATED MATTERS

FIRST COUNTRY COOPERATION FRAMEWORK FOR MALDIVES (1997-1999)

CONTENTS

	Paragraphs	Page
INTRODUCTION	1 - 2	2
I. DEVELOPMENT SITUATION FROM A SUSTAINABLE HUMAN DEVELOPMENT PERSPECTIVE	3 - 10	2
II. RESULTS AND LESSONS OF PAST COOPERATION	11 - 12	4
III. PROPOSED STRATEGY AND THEMATIC AREAS	13 - 33	4
IV. MANAGEMENT ARRANGEMENTS	34 - 38	9
Annex. Resource mobilization target table for Maldives (1997-1999)		11

97-18440 (E) 050897

/...

INTRODUCTION

1. The Country Cooperation Framework (CCF) for the Republic of Maldives constitutes the basis for UNDP cooperation with the Government for the period 1997 to 1999. It is based on a series of consultations and discussions between the Government and UNDP that began with the mid-term review of the fifth country programme (1992-1996). The preparation of the CCF coincides with the finalization of the National Development Plan (1997-1999), which ensures that UNDP assistance responds to national priorities and is firmly anchored in national development policies and programmes. The CCF describes how UNDP cooperation can best be channelled to support the country's development goals and priorities in ways consistent with the UNDP mandate and comparative advantages as a development partner.

2. The major step in formulating the CCF was the UNDP Advisory Note, which was approved by the Programme Monitoring and Oversight Committee on 12 May 1997, and through which UNDP provided the Government with its views on how its cooperation could support the development efforts of the Maldives.

I. DEVELOPMENT SITUATION FROM A SUSTAINABLE HUMAN DEVELOPMENT PERSPECTIVE

3. A least-developed country, Maldives is made up of nearly 1,200 coral islands, some 200 of which are inhabited, grouped into 19 administrative atolls that form a narrow chain 820 km in length and 130 km at its widest point. The extreme dispersal of population and the distances separating the islands give rise to severe diseconomies of scale in production and transport and in the provision of a social and physical infrastructure.

4. Despite the severity of development constraints, Maldives has made impressive progress in the past decade. Throughout most of the 1980s, gross domestic product (GDP) growth exceeded 10 per cent per annum, moderating to a more sustainable 6.5 per cent in the period 1991-1996. GDP per capita has increased in real terms from US$ 470 in 1985 to US$ 768 in 1995, twice as fast as population growth. This growth, fuelled by developments in the tourism and fisheries sectors, has not only brought increased prosperity to the people of Maldives, but has also been accompanied by considerable progress in the field of social development, without taking a heavy toll on the environment.

5. In the past decade, virtually all of the indicators used to measure sustainable human development (SHD) have recorded significant improvements. This progress finds clear expression in the UNDP human development index which ranks Maldives 107th of 174 countries, making it one of only two South Asian countries to be classified as a medium human development country. While Maldives has made considerable progress, it is confronted with numerous challenges. Viewed from the particular perspective of SHD, the most important can be summarized as follows.

6. Population and employment. The population growth rate increased during the 1980s, reaching a peak of around 3.4 per cent at the end of the decade, since

when it has fallen to around 2.8 per cent, still one of the highest in the world. At current rates of growth the population will increase from 250,000 in 1995 to reach 300,000 early in the next century, and will double by the year 2020. These increases carry many negative impacts not only for the population-resource ratio, already under stress, but also for food security, urbanization and the costs of providing and maintaining the social infrastructure. Close to one half of the population is currently under 15 years of age and, in the next five years, around 26,000 young people will enter the labour market.

7. Regional disparities. Although macro development indicators have in recent years recorded marked improvement, they disguise significant differences and disparities that exist between Malé and the atolls, not only in household incomes, but also in access to and in the quality of a wide range of social services, including health and education. No less important than the disparities existing between Malé and the atolls are the disparities between atolls and between islands, reflecting differences in development potentials existing within the archipelago. To reduce disparities between islands, the Government's policies will need to go beyond the current criteria of equitable distribution and voluntary resettlement.

8. Gender inequalities. Maldivian women are among the most emancipated in the Islamic world. This finds expression in the gender-related development index which ranks Maldives above most South Asian countries, and in the gender empowerment measure, in which Maldives has the highest rank of all South Asian countries. Nevertheless, gender issues constitute a particular area of concern. Although women have traditionally played an important role in the national economy, their position has been eroded by recent economic developments, and social restrictions on the movement of women has limited their participation in tourism activity. Consequently, the labour force participation rate of women has declined from one of the highest to one of the lowest rates in the developing world.

9. Environmental protection. Until recently, environmental degradation was confined to the localized effects of deforestation, resulting from the need for fuelwood, and coral and sand mining occasioned by the absence of building materials. The country's rapid social and economic development combined with its rapidly growing population is, however, placing mounting pressures on the fragile resource base. The list of environmental problems is growing, and includes shelter-related problems, sewage and solid waste disposal, the depletion and pollution of water supplies in the more populated islands, overfishing and the unsustainable exploitation of some marine species, the destruction of reef habitats, and coastal erosion exacerbated by coral mining. Some of these problems are increasing the vulnerability of Maldives to natural disasters, while others are undermining the sustainability of the livelihoods of island populations.

10. Governance. Maldives faces challenges in a number of critical areas that can be subsumed under the general area of governance. The most important challenges include: (a) the further strengthening of capacities for the effective management of development at both the central and atoll levels; (b) the effective decentralization of decision-making in ways that empower local

communities and enable them to participate more fully in decisions that have a bearing on their lives and livelihoods; and (c) the further development of the country's human resources, with the existing low level of human capital formation impacting negatively on the capacity to meet challenges in a number of SHD-related fields.

II. RESULTS AND LESSONS OF PAST COOPERATION

11. During the fifth country programme 1992-1996, UNDP financed a wide range of projects, almost all of which had the character of "stand-alone" projects. While the Government has valued the flexibility provided by UNDP cooperation, and many projects were successful in achieving their objectives and outputs, there are grounds for believing that the diffusion of UNDP resources over many sectors and the lack of a clear substantive focus have reduced the overall impacts of UNDP cooperation. The value of UNDP cooperation would be enhanced by the increased concentration of available resources in a smaller number of themes and an increased emphasis on programmes rather than on projects with the aim of reinforcing substantive focus and establishing conceptual and operational linkages between different sets of UNDP-supported interventions.

12. Experience with the implementation of the fifth country programme has highlighted areas which need strengthening, including the following: (a) capacity-building projects often did not include prior capacity assessments in the project design; this has negatively affected the sustainability of project impacts, with assumptions concerning counterpart capabilities and arrangements and capacities for national execution often constituting a particular area of concern; (b) not enough attention has been given to gender issues and to interventions aimed at improving the position of women; (c) limited success has been achieved in the development and testing of mechanisms and arrangements for the effective empowerment of local communities especially in atoll and island development projects; and (d) insufficient attention has been devoted to the formulation of performance criteria and success indicators, not only for individual projects but also for UNDP cooperation programme as a whole. Lessons learned from this experience will be incorporated in programming activities in the CCF period.

III. PROPOSED STRATEGY AND THEMATIC AREAS

13. The main objective of UNDP cooperation in the CCF period is to contribute directly to government programmes aimed at meeting critical SHD challenges. The Government's development policies have been elaborated in the National Development Plan 1994-1996, which identifies four main priority areas, covering economic management and development, social development, institutional development and the environment. The National Development Plan 1997-1999 is in its final stages of preparation with the support of UNDP. It reaffirms the Government's commitment to both the approach to development and the objectives that have so far guided it, among which reduction in disparities, equitable distribution of the benefits of development, especially access to social services and employment, and sustainability of physical and natural resources figure prominently.

14. To ensure increased impacts, available UNDP resources will be concentrated in a smaller number of SHD-related areas, combined with deliberate efforts to establish conceptual and operational linkages, not only between UNDP-supported programmes but also with UNDP global and regional programmes and those of other development partners. In addition, UNDP-supported programmes will be designed to serve as programme frameworks which can be used by the Government for the mobilization of resources from other development partners.

15. All UNDP-supported interventions will be gender-dimensioned, with priority accorded to mainstreaming gender concerns in transformation strategies. They will recognize and display sensitivity to prevailing gender inequalities with the aim of enhancing the role played by women in the country's development process. Women will be targeted as both beneficiaries and partners, with "affirmative action" finding concrete expression in the allocation of UNDP core resources to programme components aimed at women's advancement, with a target of 20 per cent of the total target for resource assignment from the core (TRAC) resources.

16. The Government will continue to look to UNDP for the provision of support in the areas of aid coordination and resource mobilization. High priority is accorded to UNDP central role in the organization of periodic Round Tables, the most important aid mobilization forum, and as the focal point for informal consultations within the donor community. Priority is also accorded by the Government to UNDP role in the further strengthening of cooperation between the agencies of the United Nations development system, especially those of the Joint Consultative Group on Policy, and to the preparation of a Country Strategy Note capable of achieving greater coherence and increased overall impacts from the cooperation programmes of United Nations development system agencies.

17. The Government will also look to UNDP for support in the translation of international agreements concluded through the United Nations system into concrete policies and programmes. Priority will be given to the Copenhagen Declaration and Programme of Action, the Rio Earth Summit and international agreements in respect of climate change and sea-level rise, the International Conference on Population and Development, the Platform for Action adopted by the Fourth World Conference on Women, and the Programme of Action adopted by the Global Conference on Sustainable Development of Small Island States.

18. Three main themes have been identified as the focus for UNDP programme of cooperation. These themes not only correspond with critical national SHD-challenges but also give clear expression to UNDP mandate and comparative advantages as a development partner. Opportunities for developing conceptual and operational linkages within and between themes are and will be fully explored. For example, UNDP support for capacity-building at the atoll and island levels could appropriately focus on the atolls and islands identified for assistance under theme 1 (Sustainable livelihoods) with the aim of developing complementarities and mutually reinforcing impacts. Activities to be supported under theme 3 (Environment) are also entirely consistent with the conservation of the environmental assets that form the basis for sustainable livelihoods.

(a) Growth with equity: Promotion of sustainable livelihoods

19. The UNDP-supported programme under this theme will be guided by the twofold objective of promoting sustainable livelihoods and reducing disparities in opportunities and in access to social services, with an unambiguous focus on atolls and islands.

20. New programme initiatives will build upon the considerable experience already gained in integrated atoll development. An integrated rural development project has been completed on Meemu Atoll, where the emphasis was on the creation of productive employment through the environmentally sound exploitation of agricultural development potentials. A second project on Nilhande Atoll is reaching the stage of final evaluation, having focused on skills development, employment creation and marketing. A third project on Noonu Atoll, financed under UNDP Regional Poverty Alleviation Programme, is being implemented with an emphasis on the promotion of participatory approaches to local decision-making, the empowerment of the island population, and the mobilization of local resources for investments in income-generating activities and required supporting infrastructure.

21. Programme initiatives for new projects that target specific atolls and disadvantaged and vulnerable groups are already under way. In recognition of the considerable differences that exist between atolls and islands, they take account of the particular specific sets of constraints and opportunities existing at the island level, with some sets of interventions targeted at atolls with land and clear development potentials as well as those that have a severe paucity of resources and where potentials are very modest. The initiatives will seek to develop innovative and replicable approaches that contribute directly to the environmentally sustainable expansion of opportunities for productive employment and which enable local populations to participate more effectively in decision-making that has a direct bearing on their lives and livelihoods. UNDP-supported interventions will also seek to create opportunities, as appropriate, for private sector investment at the atoll and island level and for the involvement of non-governmental organizations and civil society organizations, especially those existing at the island level with declared development objectives.

22. On sparsely populated, resource-poor Vaavu Atoll, where project implementing responsibility is, for the first time in Maldives, being decentralized to the Atoll Office, the project will pursue a two-pronged approach. First, it will focus on better access to essential services, i.e. 90 per cent access to safe drinking water, significantly higher school attainment, and increased production in fisheries and home gardening, in an environmentally sustainable manner, resulting in higher incomes. Secondly, the project will, in parallel, carry out a participatory rural appraisal aimed at shaping a community-based programme, which will enable the community to identify other priority development activities. On Laamu Atoll, where significant agricultural potential exists, the emphasis will be on employment creation and income-generation, especially for women and youth.

23. Given the general paucity of land-based resources, the possibility will be examined of developing a project aimed at assessing the potential of marine

resources. Diversification of productive activities could be explored, aimed at import substitution (especially vegetables and fruits for which there is a sizeable market in the tourist resorts) and for developing the export potential of non-traditional marine-based resources. Introduction and adaptation of technologies addressing the shortage of arable land and sweet water, such as hydroponic agriculture, as well as specific farming techniques for fish and other marine resources, could be facilitated by UNDP.

24. Expected impacts. UNDP assistance will result in increased incomes and more sustainable livelihoods for households on the atolls and islands targeted under the assistance programme. Impacts will include significantly increased opportunities for rural women to engage in productive employment, through the sustainable exploitation of both marine and land-based resources, and for post-primary education, thereby better enabling them to achieve their potentials as individuals and to contribute to the further development of their families, communities and the country. Impact assessment will be greatly facilitated by the results of the poverty/vulnerability assessment, now under implementation, which will be used to establish a country-wide, gender-dimensioned system of baseline monitoring for the measurement of the impacts and interventions aimed at promoting sustainable livelihoods in atoll and island communities.

(b) Governance: Capacity-building for the management of development

25. The programme initiatives under this theme will seek to contribute to the development of the capacities and human resources required for the efficient and effective management of the country's process of social and economic transformation.

26. Capacity-building at the national level will include the further strengthening of an integrated monitoring and reporting system and a harmonized planning and budget system within the Ministry of Planning, Human Resources and Environment and the Ministry of Finance and Treasury, as well as several other important line agencies with responsibilities in the SHD field. The strengthening of capacities in these areas is seen not only as a means for achieving improved efficiency in planning and budgetary processes but also as being consistent with the progressive evolution of the role of the Government from that of "provider" to an "enabler" of development, which requires an improved capacity to monitor overall patterns and processes of development.

27. Human resources development as a national priority will also benefit from UNDP and other donors' support aimed at strengthening key training institutions and at increasing the relevance of secondary education to the needs of students and the country. In selected cases, UNDP assistance to adaptation and operation of computer-based information systems through the training of national staff will have a multiplier effect that goes beyond the recipient institution and will generate or guarantee the essential economic resources in support of the objective of growth with equity.

28. Capacity-building at the atoll and island levels will facilitate the establishment of development cells within the Atoll Offices that will have the mandate to work with community groups in the identification of priority needs and in the mobilization of the skills and resources existing within local

communities in support of self-help projects and of securing improved coordination between the programmes and projects of government agencies. Skills enhancement for the personnel of the Ministry of Atolls Administration will lay the foundation for decentralized implementation of economic and social development activities, and facilitate the strengthening of the planning and management capacities of island development and women's committees. Emphasis will be placed on the development of participatory and innovative approaches.

29. Expected impacts. The impacts of UNDP cooperation will include significantly improved capacities at the national level for guiding, managing and monitoring the development process as well as for allocation of resources in ways that better respond to national development priorities. At the atoll level, island institutions, including women's institutions, will be strengthened to enable them to contribute to the social and economic development of island communities, and strategies will be developed and tested that empower island communities by enabling them to participate more fully and effectively in decision-making.

(c) The environment: Safeguarding the basis for sustainable development

30. The main objectives under this theme will be to strengthen national capacity to develop an institutional framework and policies that ensure full participation of the public and private sectors in protecting and regenerating the environment; to develop monitoring and management tools to that effect, and by enabling Maldives to meet its obligations under international agreements and treaties, to strengthen its position in international fora both as a successful example of sustainable development and as a potential victim of climate change.

31. Given the vulnerability of Maldives to predicted sea-level rises, high priority will be given to capacity-building aimed at enabling the Government to meet its reporting obligations under the United Nations Framework Convention on Climate Change (UNFCCC). In particular, assistance will be provided in the preparation of a green-house gas (GHG) inventory and vulnerability assessment, with objectives derived from the UNFCCC covering inventorization of GHG and sinks, mitigation and adaptation options, a national implementation plan and the first National Communication to the UNFCCC. The vulnerability aspect of the assessment will establish the basis for UNDP-supported interventions aimed at strengthening national capacities for integrated coastal zone management. Emphasis will necessarily be placed on relevant training and required institutional development, and possible support for the Government's effort to introduce a geographic information system which, inter alia, would enable government agencies to monitor coastal erosion and sea-level rise. UNDP climate-related support may also be extended to include assistance for the development of improved systems of weather forecasting.

32. Priority will also be given to the provision of support in respect of the Convention on Biological Diversity (CBD). UNDP will cooperate in the preparation of a national biodiversity action strategy and action plan in accordance with the provisions of Articles 6 and 8 of the CBD. Given the particular vulnerability of island ecosystems, the maintenance of biodiversity is of critical importance to safeguarding the basis for the future livelihoods of atoll and island populations. In this respect, complementarity between UNDP

cooperation in strategic aspects and planned support from bilateral donors, for example in the establishment of protected areas, is actively pursued. Awareness-creation for environmental issues and programmes would complement this effort, one example being the contributions from the UNDP Regional Programme, currently bringing visible support to the One Million Tree-Planting Initiative.

33. Expected impacts. The UNDP-supported programme will be instrumental in enabling the Government to meet its obligations under the provisions of international agreements in areas that are not only of critical importance to SHD but also to the very survival of the country. It will contribute directly to the development of the institutions and human resources required for the formulation and implementation of strategies and programmes in selected high priority areas which, like integrated coastal zone management and the maintenance of biodiversity, are inseparably linked in Maldives to the promotion of sustainable livelihoods and to reducing the nation's vulnerability to natural disasters.

IV. MANAGEMENT ARRANGEMENTS

34. National execution. Considerable progress has been recorded with national execution. The Government has fully endorsed the modality, recognizing it as a means through which its capacities for project implementation, monitoring and evaluation can be further strengthened and, in recent years, about one half of UNDP cooperation has been through nationally-executed projects. Experience with the modality has been favourable, both in terms of the quality of projects and delivery rates, and it will be actively promoted during the CCF period. However, experience has shown that greater attention should in future be given to the assessment of the implementation, monitoring and reporting capabilities of executing agencies unfamiliar with the modality. It has also pointed to the need for training of local officials in line ministries, the main executing agents, in national execution procedures and arrangements. Steps will be taken early in the CCF period to satisfy this need.

35. Assistance modalities. The value of the assistance provided by United Nations Volunteers (UNVs) specialists has been demonstrated in Maldives and the number of volunteers has grown. UNVs will continue to be given first consideration for medium-term expert services, inasmuch as appropriate candidates are available timely, and mobilization of non-core resources for other UNVs will keep being pursued. Ways in which Maldives can benefit from the technical cooperation among developing countries (TCDC) modality will be actively explored, especially in enabling Maldives to share experience with small island developing countries in the South Pacific, and in taking advantage of training opportunities, especially those already partly funded by existing TCDC arrangements.

36. Programme monitoring and review. Four main instruments will be used for programme monitoring and review. First, the Country Office will prepare a three-year, rolling resource planning framework which will be used to monitor the use of core resources and progress in the mobilization of non-core resources. Secondly, benchmarks derived from the on-going poverty/vulnerability assessment will be used, along with other performance indicators, to facilitate

monitoring of progress on a regular basis. Thirdly, an in-depth triennial review will be undertaken to review implementation experience. Finally, the Country Office will make extensive use of the Local Programme Appraisal Committee, the membership of which has been broadened considerably, for programme and project review.

37. Resource mobilization. This is a particularly important area, in which UNDP has, in the recent past, established a clear track record. In 1996, US$ 3.5 million in various non-core resources has been mobilized for the CCF period, exceeding those available from TRAC. UNDP will seek to build upon this track record in the CCF period.

38. TRAC I and TRAC II resources would amount to approximately US$ 2.1 million, or some US$ 700,000 for each of the three years covered by the CCF. However, UNDP will set itself the ambitious target of mobilizing a total of about US$ 6 million for the CCF period in the form of non-core resources, mainly through cost sharing, Government and third party, and funds available for the promotion of sustainable development. Attaining this target will bring total resources available to more than US$ 8.1 million. This implies that programme resources during the CCF period would be about three times larger than provided for by available core resources.

Annex

RESOURCE MOBILIZATION TARGET TABLE FOR MALDIVES (1997-1999)

(In thousands of United States dollars)

Source	Amount	Comments
UNDP CORE FUNDS		
IPF carry-over	467	
TRAC 1.1.1	1 250	Assigned immediately to country.
TRAC 1.1.2	0 to 66.7 per cent of TRAC 1.1.1	This range of percentages is presented for initial planning purposes only. The actual assignment will depend on the availability of high-quality programmes. Any increase in the range of percentages would also be subject to availability of resources.
SPPD/STS	200	
Subtotal	1 917[a]	
NON-CORE FUNDS		
Government cost-sharing	2 700	
Sustainable development funds	1 013	GEF
Third-party cost-sharing	1 500	
Funds, trust funds and other		
Subtotal	5 213	
GRAND TOTAL	7 130[a]	

[a] Not inclusive of TRAC 1.1.2, which is allocated regionally for subsequent country application.

Abbreviations: GEF = global environment facility; IPF = indicative planning figure; SPPD = support for policy and programme development; STS = support for technical services; TRAC = target for resource assignment from the core.